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INTELLIGENCE SUMMARY

For Week Ending
5 January 1949

Vol. IV No.1

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PALESTINE

Israel's new Negeb offensive: International repercussions arising out of the UK's treaty obligations to Egypt will probably induce Israel to withdraw the task force it sent into Egyptian territory. Nevertheless, Israel's 22 December offensive in the Negeb--of which the foray toward the Egyptian base of El Arish was the culmination--has put the Jews in a strong position to force the remaining Egyptian troops out of the Negeb entirely if their government continues to balk at the definitive armistice which the Israelis want. Although fighting continues, the Jews have apparently achieved both of their major military objectives in the Negeb itself, the encirclement (except for a narrow escape route) of the Egyptian garrison at Gaza and the clearing of the main road from Beersheba south to the Egyptian border. There appears to be little likelihood that Israel will pay serious attention to the UN Security Council's 29 December resolution calling for a withdrawal to the 14 October positions in the Negeb.

With the Egyptian threat sharply reduced, Israel can now concentrate on the two remaining Arab forces in Palestine: the Iraqi Army and the Transjordan Arab Legion. International complications caused by the drive into Egypt, may temporarily deter the Israelis from undertaking a new offensive against these two armies. Nevertheless, if Israel and the Arab states are unable to find a basis for negotiating a definite settlement, the Jews are likely to take matters into their own hands and drive the remaining Arab armies completely out of Palestine.

EGYPT

Wafdists may enter government: If current efforts of the new Egyptian Prime Minister, Abdel Hadi, to broaden his Cabinet by including members of the Wafd (Egypt's largest party) are successful, the Egyptian Government will be materially strengthened. At present the Cabinet is a minority party coalition like its predecessor, and the new Cabinet members (with the exception of Abdel Hadi) are little more than political nonentities. It now appears, however, that a number of prominent Wafdists may be willing to enter the government. For several years the Wafd has refused to participate largely because of a personal feud between King Farouk and Mahas Pasha, leader of the Wafd. Consequently the Wafd, as a strong opposition party, has frequently been able to prevent the government from taking effective action on

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important issues. Inclusion of Vafdist in the Cabinet would substantially strengthen the country's internal security. Moreover, it would enable the government to present a united front in attempting to force the Egyptian people to accept a compromise on the two most critical foreign issues: a politic settlement in Palestine and renegotiation of the Anglo-Egyptian Treaty.

IRAN

Government gains strength: The Saed Government, which received a vote of confidence only by a very slim majority early in December, has succeeded in obtaining Majlis passage of an important budget bill by an overwhelming majority. In order to secure this majority, however, Saed had to form a coalition with various factions in the Majlis, including Qavam's. In exchange for this additional support, he reportedly promised to ask Majlis consideration of the Justice Committee's report exonerating Qavam of charges of malfeasance immediately after passage of the budget bill. Although acceptance of this report by the Majlis would remove a major obstacle to Qavam's return to the premiership, the Shah's hostility still stands in the way of his obtaining the office. Meanwhile, the effectiveness of the Saed Government will depend on the durability of the present factional arrangements.

INDIA-PAKISTAN

Indonesian repercussions: Public and official opinion in India continues to run high regarding the sudden Dutch reopening of hostilities in Indonesia on 18 December and the weakness of the UN Security Council's attempts to deal with the situation. India, which considers itself the champion of Asiatic interests, was persuaded to take no action on its threat to break off diplomatic relations with the Netherlands, but Prime Minister Nehru has now reaffirmed India's desire to act on the matter by calling a conference of 16 Middle and Far Eastern Governments to consider the Indonesian question. India has cancelled landing rights and transit privileges of the KLM Royal Dutch Airlines, and, although they feel less strongly on the subject, Pakistan and Ceylon have done likewise; the latter has also closed its ports to Dutch ships bearing troops or arms to Indonesia.

Although the Dutch have naturally borne the brunt of popular indignation in the subcontinent, the UK and the US have also been under fire, and the Indonesian affair may well damage their standing with the only three South Asian countries not now strongly affected by communism. India is out of sympathy with the UK's position on

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Indonesia, and its already weak ties with the British Commonwealth suffer accordingly. The Indians are less dissatisfied with the US performance, having been convinced that the US is doing what it can in the Security Council and, in any event, could not follow India's suggestion of withholding ECA assistance from the Netherlands. Nevertheless, the failure of the US to restrain the Dutch must certainly have discouraged both the Indians and their neighbors regarding the ability and willingness of the US to assist the Asiatic peoples.

NOTED IN BRIEF

Turkey is still undecided about how to deal with the imminent passage of ex-Italian warships via the Straits to Soviet Black Sea naval bases. The US and UK might persuade Turkey to permit a technical violation of the Montreux Agreement, which governs traffic through the Straits, by granting the vessels passage under the Italian flag. In view of Turkey's reluctance both to create precedents for evasion of the Montreux Agreement and to facilitate the enlargement of the Soviet Black Sea fleet, however, the Turks are more likely to insist on strict compliance with the Montreux rules, which provide special passage rights to warships of Black Sea powers only and would thus force the USSR to get the ships transferred to Soviet registry before they reached the Straits. Current public clamor in Turkey for the return of Cyprus to Turkish rule does not reflect any official desire for territorial aggrandizement, despite the presence of a Turkish minority in Cyprus. The Turks are disturbed by the agitation among the island's Greek speaking majority for "enosis," or union with Greece, chiefly because of the danger that Greece might fall under Communist domination, dragging strategically located Cyprus with it. The Turks would undoubtedly prefer that Cyprus remain under the British rather than go to Greece, and the unofficial view in Ankara, that Cyprus should be returned to Turkey rather than be given to Greece, will probably not be aired unless the UK's control is seriously challenged. Abdullah continues to temporize in the matter of accepting the Palestine crown, apparently because of the outspoken disapproval of the other Arab League members and the lack of encouragement from the UK. The necessity for such self-restraint is undoubtedly a bitter pill for Abdullah. The dream of his life has been to rule over a Greater Syria; incorporation of Arab Palestine into his kingdom would represent a substantial step toward the realization of this ambition. Though he is now obliged to table the offer, there is little doubt that it occupies a prominent position on his agenda, to be accepted when circumstances indicate that he can do so without unwelcome repercussions. The announced program of the new Syrian Prime Minister, Kalid Azm, lays stress upon the country's economic difficulties. After the customary condemnation

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of Zionism and Abdullah, Azm stated that he would work for: (1) a financial agreement with France; (2) a general budget reduction, except for the army; (3) an economic accord with Lebanon; (4) unification of internal security forces; and (5) formulation of a ten-year economic development plan. Implementation of such a program would probably require a stronger man than the unpopular Azm.

. . . . Several demonstrations in Baghdad, principally by students, exemplify the present disturbed internal condition in Iraq. Unless the government uses firm measures to check this trend, more serious disturbances may be expected. Israel has just published an ordinance vesting in a PGI administrator all property of "absentees" and giving him authority to sell the property and to invest the proceeds. Assuming that property of refugees will be sold by the administrator, this action by the PGI would appear to forestall that portion of the General Assembly resolution stating that "Arab refugees wishing to return to their homes and live at peace with their neighbors should be permitted to do so at the earliest possible date," and instructing the Conciliation Commission to "facilitate the repatriation, resettlement, and economic and social rehabilitation of the Arab refugees..."

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